



**Agenda Item #4. Approval of the December Regular Meeting Minutes**

01.13.58 into the pension meeting audio.]

The Minutes for the December Regular Meeting were approved by unanimous vote of the Board after a motion to approve the minutes was made by Mr. Harrod and seconded by Mr. Wood.

**Agenda Item #5. Report from Board Legal Consultant**

[01.14.26 into the pension meeting audio.]

A. Discussion of Chairmanship of the Board — After considerable discussion of this matter, Mr. Rowan made a motion [01.22.53 into the pension meeting audio] to allow the pension board attorney to work with the city attorney to draft legislation changing the statute to allow the mayor, designee, or city manager, whichever he can work out with the city, and move forward with that legislation. Ms. Lenehan seconded the motion that passed a vote of the Board with only Mr. Young abstaining.

B. Discussion of legal recommendations for the collection of \$500,000 in unpaid probation fees due the Board [01.27.35 into the pension meeting audio] — The attorney referred the members of the Board to his “memorandum” concerning that matter and stated that the position they came to was that there was either a 5 year statute of limitations or no statute of limitations in this matter rather than the 3 year statute of limitation that the City imposed. The attorney recommended that litigation of this issue be the Board’s last option and recommended that the Board allow him to present his “memorandum” to the City Attorney to see if there was room for negotiation of this matter and that is the option the Board instructed him to pursue at this time.

C. Presentation of legal opinion on the \$50 benefit increase [01.34.22 into the pension meeting audio] — The attorney referred the members of the Board to his “memorandum” concerning this matter; however, Mr. Young had provided several “questions, comments, and concerns” about that memorandum that the Board requested a response to by the attorney.

D. Review of A.C.A. § 24-11-415 concerning handgun destruction [Tabled until the next pension board meeting due to inclement weather.]

E. Discussion of past attorney fees — [Tabled until the next pension board meeting due to inclement weather.]

F. Discussion of Guarantee Fund issue — [Tabled until the next pension board meeting due to inclement weather.]

G. Discussion of Step Child benefit issue — [Tabled until the next pension board meeting due to inclement weather.]

H. QDRO approval [01.56.31 into the pension meeting audio] — Mr. Rowan made a motion that we approve the QDRO between Valarie Watson and Dewayne Watson and Mr. Harrod seconded the motion that was passed by a unanimous vote of the Board.

**Agenda Item #6. Report from Board Financial Consultant**

[01.57.03 into the pension meeting audio]

- A. December Financial Report — Mr. Brister, Financial Consultant for the Fund, gave the December 2010 financial report and stated that on December 31, 2010, the market value of the total Fund was \$47,732,627 of which \$24,059,492.18 was allocated to DROP. This represents an increase in the account balance of \$777,371 since November 30, 2010. The component of this change was income of \$421,223 and net contributions/withdrawals of (\$798,366.33). Additionally, \$1,248,956.83 was held in the Metropolitan Checking Account. The Funds overall market rate of return for the month of December 2010 was 3.43% and 11.86% (not a final figure) calendar year to date. [Note: the PRB actuary's calculation will include the amount held in Metropolitan Bank that will reduce this amount to approximately 11%. No PRB actuarial determination has been made at this time.]
- B. Presentation of Fees for Services [02.07.50 into the pension meeting audio] — The Financial Consultants proposed a reduction in their fees to the Fund by 10% annually for an estimated savings of \$20,500 per year to the Fund. Ms. Lenehan made a motion to accept this Fee for Services as proposed and Mr. Harrod seconded the motion that passed by a unanimous vote of the Board.

**Agenda Item #7. Report of Board Lobbyist [Out of Agenda Order]**

[00.01.31 into the pension meeting audio.]

- A. Discussion of Legislative Matters — The Board's lobbyist stated that the premium tax distribution formula proposed by the PRB was not yet drafted by the legislature but would be by the following Monday. He also warned that the Municipal League was drafting several Bills to increase the City representation by two (2) more members on the PRB, LOPFI, and local pension Boards to prevent the ability of any Board to grant benefit increases to any pension member. He also mentioned a Bill to be filed that will eliminate a large percentage of military retirees from having to pay state income taxes, and Mr. Young suggested that he try to add police and fire retirees to that Bill; however, Mr. Smith did not believe the Bill stood any chance of success. Ms. Lenehan asked our Lobbyist if there was any more action on her suggestion that the state authorize the cities to receive, after voter approval, more than a 1 mill increase in property tax assessments. The Lobbyist stated that there is a constitutional provision that may have to be dealt with in that matter and that he is looking into that suggestion.
- B. Presentation of Legislative Proposals — The Board's lobbyist stated the "draft" Bill dealing with the increase of supplement benefits from \$50 per month up to \$200 per month was to be filed by Senator Elliott in the next couple of days.
- C. Discuss including other cities in Legislative Proposals — [Tabled until the next pension board meeting due to inclement weather.]

- 116 D. Discuss modification to FOIA regarding legal counsel — [Tabled until the next pension  
117 board meeting due to inclement weather.]  
118

119 **Agenda Item #8 Report from Board Chairman**  
120

121 [Items A, B, and C were tabled because of the absence of the Chairman.]  
122

123 **Agenda Item #9. Report from Board Secretary**  
124

[03.32.53 into the pension meeting audio.]

- 125 A. Discuss ideas for Committee Meeting with Gene Fortson — [Tabled until the special  
126 pension meeting due to inclement weather.]
- 127 B. Sign papers for signature placement on checks — [Tabled until the next pension board  
128 meeting due to inclement weather.]
- 129 C. Review of Bank Statement [02.07.33 into the pension meeting audio] — Mr. Young signed  
130 appropriate papers for the Bank Account.
- 131 D. Purchase of voice recorders for Board members — [Tabled until the next pension board  
132 meeting due to inclement weather.]
- 133 E. Purchase of New Document Scanner — [Tabled until the next pension board meeting due  
134 to inclement weather.]  
135

136 **Agenda Item #10. Report from Board Treasurer [Out of Agenda Order]**  
137

[00.31.11 into the pension meeting audio.]

- 138 A. Financial Reports for October, November, and December — The Treasurer reviewed the  
139 October Financial Report [00.58.49 into the pension meeting audio]. Mr. Lee Harrod made  
140 a motion to approve the report that was seconded by Mr. Wood and the Board approved it  
141 by a unanimous vote of the Board. Then, the Treasurer reviewed the November Financial  
142 Report [01.02.20 into the pension meeting audio]. Mr. Harrod made a motion to approve  
143 the report that was seconded by Mr. Wood and the Board approved it by a unanimous vote  
144 of the Board. Finally, the Treasurer reviewed the December Financial Report [01.04.46  
145 into the pension meeting audio]. Mr. Harrod made a motion to approve the report that was  
146 seconded by Mr. Wood and the Board approved it by a unanimous vote of the Board.
- 147 B. Report concerning past Legal Fee Bills [01.08.45 into the pension meeting audio] — Ms.  
148 Lenehan presented an 8 page spreadsheet indicated that the fees in question by our prior  
149 law firm amounted to \$4,576.50. A determination on the Board's action concerning this  
150 amount was tabled until the next pension meeting.
- 151 C. Discuss issue of DROP interest calculation upon withdrawal of funds [00.31.30 into the  
152 pension meeting audio] — Ms. Lenehan began by stating that the PRB set new standards  
153 and provided clarification to the Board of their requirements for calculating interest  
154 amounts to prevent the loss of state turn back funds. Ms. Jim Edwards then spoke and  
155 raised several points concerning the calculation of interest amounts and questioned the

methodology of those calculations. Ms. Lenehan, Ms. Edwards, and the Board agreed to review the Edward's withdrawal interest rate to determine its accuracy under the PRB rules.

- D. Report on change of membership status — Ms. Lenehan presented the Board with the report and Mr. Young made a motion [01.12.30 into the pension meeting audio] that to add Mr. Dan Chandler to the pension rolls effective 01/14/2011 in the amount of \$2,226.07 per month. Ms. Lenehan seconded the motion that passed by a unanimous vote of the Board.

#### **Agenda Item #11. Board Member Topics of Discussion**

- A. PRB Guarantee Funding (Mr. Young) — [Tabled until the next pension board meeting due to inclement weather.]
- B. Reimbursement of Fund for Resolution required by the departure of the Treasurer during the November pension meeting (Mr. Wood) — [Tabled until the next pension board meeting due to inclement weather.]

#### **Agenda Item #12. Fund Members Comments**

[There were no members present]

#### **Agenda Item #13. Other Business**

[Tabled until the next pension board meeting due to inclement weather.]

#### **Agenda Item #14. Adjourn Meeting** [02.09.42 into the pension meeting audio.]

Mr. Harrod made a motion to adjourn and Mr. Rowan seconded the motion that passed by a unanimous vote of the Board at approximately 11:16 hours.

---

Respectfully Submitted,

Stephen R. Young  
Board Secretary